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Asia Pacific Business Outlook (APBO)

Do not miss the premier event to explore business opportunities in Asia!

APBO, hosted by the University of Southern California in Los Angeles, with the full support of the U.S. Commercial Service, is the longest running, most successful regional conference of its kind focusing specifically on Asian markets. This conference has made a difference for U.S. exporters, and has become the premier U.S. commercial trade event focusing on the Asia Pacific region.

APBO 2006 brings the experts closer to you with 14 Senior Commercial Officers from American embassies, consulates and institutes in the following economies: **Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Philippines, Singapore, Taiwan, Thailand, and Vietnam.** They will speak in small-group workshops and be available for private one-on-one consultations with pre-registered APBO participants.

For more information on the conference or to register to attend, go to the following site:

<http://www.apbo2006.com>.

******PLEASE NOTE: Use registration code DOC2006 during sign-up and if known, mention your local Export Assistance Center or Trade Specialist. After the registration process is complete, you will receive instructions to sign up for one-on-one meetings with Senior Commercial Officers. Each meeting will be approximately 15 minutes long and will take place simultaneously with the conference.******

For questions or general inquiries, contact Amy Benson, U.S. Commercial Service Asia/Pacific Team Leader, at 208-364-7791.

Sixth World Potato Congress

The National Potato Research and Education Foundation is proud to announce that the World Potato Congress will be holding the Sixth World Potato Congress and Farm Show in **Boise, Idaho, USA** from **August 20-26, 2006**. This will be the first time the event has been held in the United States. During the

event potato growers, suppliers, processors and supporters will have the opportunity to join top executives from industry experts like Simplot, Syngenta, Rabobank, McCain, BASF, Lamb Weston, Bayer CropScience, DuPont and many more in getting a hands-on view of the newest concepts and technologies. Just a few of the new technologies and concepts to be demonstrated on over 300 acres of prime potato farmland are:

- Equipment manufactures: tractors, tillage, seeding, irrigation, processing
- Storage building manufactures
- Seed companies
- Crop Protection companies
- Major growers, processors and retailers
- Scientists exhibiting their most exciting new research results
- Field demonstrations covering the complete potato production picture

The World Potato Congress is a unique opportunity for all those involved in the potato industry to make contacts with others around the world. As an exhibitor, companies will have access to the purchasing power of the North American potato industry along with leading potato producers and equipment technology experts representing the world's most productive regions.

For World Congress registration information, please contact **Monty Cox** by telephone **1-703-245-8082**, email mcox@potatofoundation.com or by visiting <http://www.potatofoundation.com>. To reserve a Farm Show exhibit venue, contact **Mark Randal** by telephone **1-630-557-2640**, email contact@potatofarmshow.com or by visiting <http://www.potatofarmshow.com>.

U.S. Pavilion at CeBIT Exhibition

The Commercial Service is offering an opportunity for U.S. companies to participate in the U.S. Pavilion at CeBIT in **Germany, March 9-15, 2006**. U.S. companies can exhibit at a discounted price in the U.S. Pavilion, paying for two full days of exhibiting instead of 7 at a huge savings of time and money. These companies will also receive a full day of matchmaking through the embassy. Should companies wish to have only the matchmaking service, they can take advantage of the **Executive Matchmaking Plus! Program**, and receive a full day of guaranteed appointments. Participating companies will be profiled in the CeBIT's exhibitor's catalog and in the electronic bulletin board. **For more information about the CeBIT offerings, visit:**
<http://www.buyusa.gov/houston/cebit.html>

Trade Mission to Hong Kong and Singapore

The U.S. Department of Commerce, International Trade Administration, U.S. Commercial Service is organizing an Information and Communication Technologies (ICT) Trade Mission to **Hong Kong and Singapore, May 14-19, 2006**, to help U.S. firms find business partners and sell ICT products and services in Southeast Asia. Participants will be encouraged to explore additional opportunities in **Malaysia** (Kuala Lumpur) **and Vietnam** (Hanoi or Ho Chi Minh City), which are offered as optional follow-on stops. The mission will include business-to-business matchmaking appointments with local companies and meetings with key government officials. The Targeted sectors include:

- Communications and Telecommunications
- Equipment and Services
- Cable Television Services
- Computer Hardware, Software, and Services
- Electronic Components

This trade mission is open to representatives of U.S. ICT firms and trade associations interested in entering or expanding existing businesses in these Asian markets and surrounding countries.

More information about this trade mission can be found at:

<http://www.buyusa.gov/oakland/hongkongtrademission.html>

or by contacting

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NAFTA Certificate of Origin FAQ's

Q. When should a North American Free Trade Agreement (NAFTA) Certificate of Origin be completed?

A. A NAFTA Certificate of Origin should only be completed for products exported to Canada or Mexico that meet the NAFTA rules of origin of production in the NAFTA countries. Inclusion of products that do not qualify is illegal and subject to fines and penalties.

Elimination of Canadian and Mexican duties assessed on U.S. products is one of the major ways that NAFTA assists U.S. companies. To ensure that the benefits of tariff removal accrue to NAFTA products, and not to Non-NAFTA products, NAFTA includes tough rules of origin. Only products that meet the NAFTA rules of origin are eligible for the preferential duty rates.

Under NAFTA, products that qualify under the rules of origin have zero duties when traded between the U.S. and Canada, and will have low or zero tariffs when traded between the U.S. and Mexico. An importer must submit to customs a NAFTA certificate of Origin completed by the exporter in order to be eligible for preferential tariff rates.

By filling out a NAFTA Certificate of Origin, a shipper is certifying that the covered goods meet the rules of origin, and therefore, qualify for preferential rates.

If the product does not qualify for NAFTA tariff preferences, the Certificate must not be completed, as the product is then usually subject to the Most Favored Nation (MFN) tariff rate, rather than the NAFTA rate.

Q. Is a NAFTA Certificate of Origin required for shipments to Canada and Mexico?

A. A NAFTA Certificate of Origin is not required for shipments to Mexico or Canada. The exporter should only prepare a NAFTA Certificate if the product qualifies for preferential tariff treatment under the NAFTA rules of origin.

A NAFTA Certificate of Origin is not required for the commercial importation of a good valued at less than US \$1000. However, for goods to qualify for NAFTA preferential duties, the invoice accompanying the commercial importation must include a statement certifying that they qualify as originating goods under the NAFTA rules of origin. The statement should be handwritten, stamped, typed on or attached to the commercial invoice. This exception is valid as long as the shipment does not form part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the Certification requirement.

Q. When and how do I submit a NAFTA Certificate of Origin?

A. Once an exporter determines that the exported good will meet the NAFTA rules of origin, a NAFTA Certificate of Origin must be completed accurately and legibly. The exporter must then send the Certificate to the importer. While the Certificate does not have to accompany the shipment, the importer must have a copy of the Certificate in hand before claiming the NAFTA tariff preference at customs. Certificates of Origin may, at the discretion of the exporter, cover a single importation of goods or multiple importations of identical goods.

In some cases, an exporter may not have the NAFTA Certificate of Origin ready at the time of export; however, the importer still has up to one year after the goods go through customs to make a claim for the NAFTA tariff preference and to apply for a refund of duties paid at the time of entry.

Q. Who is responsible for determining if the product qualifies under NAFTA and for completing the certificate?

A. The Certificate of Origin must be completed and signed by the exporter of the goods. Where the exporter is not the producer, the exporter may complete the Certificate on the basis of: knowledge that the good originates; reasonable reliance on the producer's written representation that the good originates; or, a completed and signed Certificate of Origin for the good voluntarily provided to the exporter by the producer.

Exporters who are not producers often request that their producers or distributors provide them with a NAFTA Certificate of Origin as proof that the final good, or an input used in the manufacture of the final good, sold to Mexico or Canada meets the rules of origin. NAFTA does not obligate a producer who is not

an exporter to provide the ultimate exporter with a NAFTA Certificate of Origin. However, if the non-exporting producer does complete the NAFTA Certificate of Origin, they are subject to the same obligations regarding record keeping, etc., as is the exporter. Even so, it is the exporter's Certificate, and not the non-exporting producer's Certificate, that must be provided to the importer. The producer's statement should be kept in the files of the exporter as backup for their own Certificate.

A distributor does not complete a certificate of Origin for qualifying goods unless the distributor is the exporter.

Q. What is the process of determining if a product qualifies for the NAFTA preferential tariff and for completing the certificate?

A. Completion of a NAFTA Certificate of Origin is an affirmation that the party signing the document has researched the terms of the NAFTA Agreement and has determined that the goods covered by the Certificate of Origin are "originating goods" as defined by the Agreement. Preparations of a NAFTA Certificate of Origin imposes certain legal rights, obligations and liabilities on the party signing the document and should be based on a careful inquiry into the terms of the text of the NAFTA Agreement and other relevant United States regulations.

A product does not automatically qualify for NAFTA tariff treatment just because the product was manufactured in the United States or purchased from a U.S. company. The product must meet the specific NAFTA rule of origin and the exporter must complete the NAFTA Certificate of Origin before the importer can claim the NAFTA tariff rate.

Follow these steps to determine if a product qualifies:

Step 1. Determine the Harmonized System Number for the product being exported and its foreign part, components, and raw materials.

The NAFTA rules of origin are organized under the Harmonized System (HS). HS numbers are standardized classification numbers assigned to identify a specific type of product in international trade. Customs authorities use HS numbers to apply duties and taxes. These numbers are typically six to ten digits long. The first six digits are standardized worldwide, while some governments, to further distinguish products in a certain category, use additional numbers. In the United States, ten digit classification numbers are also called Schedule B numbers. To obtain tariff information, the HS number up to the 6-digit level is required.

The U.S. Census Bureau's Foreign Trade Division website can be used to obtain HS numbers. The address is <http://www.census.gov/foreign-trade/schedules/b>. If you have trouble classifying your product and need assistance, call the Census Bureau at 301-763-3047. In addition, the Schedule B: Statistical Classification of Domestic and Foreign Commodities Exported from the United States can be ordered from the Government Printing Office by calling 202-512-1800. The stock number is 903-009-00000-4, and the cost of the book is \$121. The CD-ROM version can also be purchased from the Census Bureau for \$20 by calling 301-457-1086.

Step 2. Determine the Canadian/Mexican MFN tariff for the product. If the MFN rate is zero, no NAFTA Certificate is needed.

Tariff information is available from a number of sources, including your customs broker, freight forwarder, the customs authorities of Canada and Mexico. You can also call the TIC at **1-800-USA-TRAD(E)** for tariff rates.

Step 3. If the MFN rate is not zero, use the HS number to find the applicable rule of origin in Annex 401: General Note 12(t), and then determine if the product qualifies for a NAFTA tariff rate.

When products meet the rules of origin, and therefore, qualify for NAFTA tariff benefits, they are said to "originate." Article 401 of the NAFTA Agreement determines which goods originate and precludes goods from other countries from obtaining those benefits by merely passing through Canada, Mexico or the United States.

Chapter 4 of the NAFTA Agreement sets out most of the principles in determination. The NAFTA Rules of Origin (Annex 401: General Note 12 (t)) are located on the Customs website at

<http://www.customs.gov/nafta/docs/us/gn12tl-29.html>.

Exporters must carefully research the terms of the Agreement to determine whether their goods are entitled to NAFTA benefits. They should not assume that the goods are entitled to NAFTA benefits merely because they were made in a NAFTA country. For assistance call the TIC at **1-800-USA-TRAD(E)** for non-agricultural products.

Step 4. If the product does not meet the specific Rule of Origin it does not qualify for preferential tariff treatment and the Certificate of Origin should not be completed. If it meets the Rule of Origin, complete a NAFTA Certificate of Origin.

Q. How long should copies of the Certificate of Origin be retained?

A. In the United States, the exporter is required to retain either the original or a copy of the Certificate for five years from the date of signature. The importer is required to retain the Certificate and all other relevant documentation for five years after the importation of the goods. The facts asserted in the Certificate must be supported by adequate records relating to the goods, and their materials and production. Mexican exporters must maintain a copy of the Certificate for 10 years. Canadian importers and exporters are required to keep the Certificate for six years from the time of the transaction for the importer and six years from the date of signing for the Canadian exporter.

Q. What language should be used to complete NAFTA Certificate of Origin?

A. A uniform Certificate of Origin is used in all three countries and is printed in English, French or Spanish. The Certificate shall be completed in the language of the importing country, at the exporter's discretion. Importers must submit a translation of the Certificate to their own customs administration when requested. **For further information about the NAFTA Certificate of Origin, please contact the Boise, Idaho office.**

Market of the Month: Serbia and Montenegro

Market Overview:

With a population of 8.5 million people, Serbia and Montenegro's internal market is among the largest in South East Europe. In addition to the domestic market, export-oriented companies in Serbia and Montenegro gain access to the South East Europe Free Trade Area market of 55 million people. Serbia is also the only country outside of the Commonwealth of Independent States that enjoys a Free Trade Agreement with Russia. This fact, coupled with duty-free exports to the European Union and the United States for most products and services, is one of the key drivers for international investors to relocate their operations to Serbia and Montenegro. The upswing in production has fueled a steady increase in purchasing power, which is apparently seen through the double-digit rise in household consumption and retail trade. Serbia and Montenegro is still one of the few unsaturated markets in Europe.

At A Glance: Serbia Montenegro

- **Population:** 10,829,175
- **Location:** South East Europe, bordering the Adriatic Sea
- **Capital:** Belgrade
- **Languages:** Serbian and Albanian
- **Primary Import Partners (2004):** Germany, Italy, Austria, Slovenia, Bulgaria and France
- **US Exports to Serbia and Montenegro (2004):** 142,973,000 Total USD

Best U.S. Export Prospects

- Computer Hardware
- Telecommunications
- Airport and Ground Equipment
- Insurance
- Medical Equipment
- Energy
- Agriculture

For more information please visit or contact the U.S. Commercial Service in Belgrade using the information below:

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Kneza Milosa 50
11000 Belgrade

Serbia & Montenegro

Phone: 381-11-306-4800

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